



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 6, 2006

## **H.R. 5020** **Intelligence Authorization Act for Fiscal Year 2007**

*As ordered reported by the House Permanent Select Committee  
on Intelligence on March 30, 2006*

H.R. 5020 would authorize appropriations for fiscal year 2007 for intelligence activities of the U.S. government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System (CIARDS).

This estimate addresses only the unclassified portion of the bill. On that limited basis, CBO estimates that implementing certain provisions of the bill would cost \$550 million in 2007 and just under \$1 billion over the 2007-2011 period, assuming appropriation of the necessary funds, as shown in the following table.

	By Fiscal Year, in Millions of Dollars				
	2007	2008	2009	2010	2011
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>					
Intelligence Community Management Account					
Authorization Level	990	0	0	0	0
Estimated Outlays	545	347	69	20	9
CIARDS <sup>b</sup>					
Estimated Authorization Level	5	0	0	0	0
Estimated Outlays	5	0	0	0	0
Total Changes					
Estimated Authorization Level	995	0	0	0	0
Estimated Outlays	550	347	69	20	0

- a. In addition to effects on spending subject to appropriation, H.R. 5020 would affect direct spending. However, CBO cannot estimate those effects because the data needed to prepare an estimate are classified.
- b. CBO's March 2006 baseline assumes a mandatory appropriation of \$251 million in 2007 for CIARDS. H.R. 5020 would provide an authorization of \$256 million for that year.

Section 104 would authorize the appropriation of \$990 million for the Intelligence Community Management Account, which provides the principal source of funding for the Office of the Director of National Intelligence and provides resources for coordination of programs, budget oversight, and management of the intelligence agencies. CBO estimates that implementing this provision would cost \$545 million in 2007 and \$980 million over the 2007-2011 period, assuming appropriation of the specified amounts.

Section 201 would authorize a mandatory appropriation of \$256 million to CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. This authorization is above CBO's March 2006 baseline and would increase outlays by \$5 million in 2007 over that baseline, assuming appropriation of the authorized amount.

Section 305 would authorize elements of the Intelligence Community to accept and spend reimbursements from private parties and employees of the Intelligence Community who damage equipment purchased through appropriated funds or default on the terms of any form of education assistance provided by such elements. Since these reimbursements would otherwise be returned to the Treasury, this section would affect direct spending. However, CBO cannot provide an estimate as the data necessary to estimate the impact of this provision are classified.

The unclassified sections of this bill contain no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Jason Wheelock. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.